

*José R. Colón*

*Curriculum Vitae*

*Curr. TEL 85*

*Curr. 89, 01/99.....*

*Phone: TEL 825 9237*

*Cell 787 373 2543*

*Fax 787 431 2712.....*

## *Executive Professional Summary*

*Mr. Victor Leal and Mr. Roberto A. Rivera,*

*Mayaguez, P.R. Rivera.*

## Career Development

### Present

I am a senior partner and owner of an accounting firm, JRC Accounting Services, PSC., which keeps and maintain accounting records for multiple clients in all ranges of income. I provide sound financial advice to clients for the betterment of their business, and to achieve their business and career goals.

The office business has been in operation since 1997, when I moved from the State of Virginia, where I was a comptroller for an insurance. There I was in charge of the Accounting Department for insurance claims on all lines of insurance, with a staff of five to seven accountants and assistants in the department since 1992. I had the financial responsibility for the companies financial data for an entire State.

After graduating from college in 1986, with a bachelors degree in Business Administration with a major in Accounting and Management, I obtained an active duty commission with the United States Army as an Intelligence Officer where I had the opportunity to serve in multiple theaters of operation including Europe, Central and South America. With the military I obtain a Masters Degree with a double major, Management and Accounting from the University of Arizona. While serving I had many opportunities to attend career development courses and schools, as well as assume command of a 250 member size unit. I retired from the military service with the rank of Captain, to pursue an academic oriented career.

I hold a professional designation of Certified Management Accountant, CMA, practicing in a Public Accounting Office, with a license to practice in the State of Virginia and Puerto Rico.

### Future

My career as an Accountant has been very successful. I operate the office with the assistance of an Office Administrator, a junior accountant and a secretary. We hire additional assistance during major tax season to comply and complete all the accounting work.

The evolution of my office has moved me towards the medical field where I have acquired experience in the Medical Field. Many of our clients are Doctors, some of them which are in private practice and in Hospitals. The experience in working this field has enabled me to obtain knowledge and expertise in the Medical area as well.

## Part 2

### Education

- BBA from University of Puerto Rico, Cayey Campus.
- MBA from University of Arizona.
- Continued Education - 24 credit hours every year to achieve and maintain professional competence as required to renew license.

### Personal Data

#### Statistics:

- 1) Married with two daughters.
- 2) Excellent Physical and Mental Health.
- 3) Bonafide resident of Puerto Rico, living in Coamo, where the office is located.

### Hobbies

Watersports, boating, and many other water related activities.

- Personal and Professional references as well as additional information provided upon request, including but not limited to financial statements. -

**Edwin Rodríguez Aponte, M.D.**

P.O. Box 8043  
Marina Station  
Mayagüez, P.R. 00680  
787-834-8070

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**PROFESSIONAL EXPERIENCE**

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Mayagüez Advanced Radiotherapy Center, Radiation Oncologist, Mayagüez, PR • 2000

Hospital Dr. Ramón Emeterio Betances - CMM, President of Medical Faculty, Mayagüez, PR  
• 2002 -2004

Centro Radioterapia y Oncología, Radiation Oncologist, Mayagüez, PR • 1998

Community Radiation Oncology, Radiation Oncologist and current consultant, Brooklyn, NY •  
1995

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**MEDICAL / PROFESSIONAL EDUCATION**

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Westchester County Medical Center / NY Medical College, Valhalla, NY • 1995  
Postgraduate Training: Radiation Therapy Residency

New Rochella Hospital Medical Center, New Rochelle, NY • 1992  
Postgraduate Training: Internship and Internal Medicine Residency

Ponce School of Medicine, Ponce, PR • 1989  
Postgraduate Training: Doctor of Medicine

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**PROFESSIONAL ORGANIZATIONS**

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Colegio de Médicos de PR

American Medical Association

Asociación Médica del Oeste

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**PUBLICATIONS**

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"Radiocirugía estereotáctica en el tratamiento de tumores intracraneales y malformaciones vasculares": Médico Interamericano, • 1995

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**LANGUAGES**

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Spanish -- (Fluent written and spoken)  
English -- (Fluent written and spoken)

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**LICENSURES**

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- Puerto Rico Medical Board
  - New York Medical Board
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ESTADO LIBRE ASOCIADO DE PUERTO RICO  
MUNICIPIO DE MAYAGÜEZ  
OFICINA DEL ALCALDE  
MAYAGÜEZ, PUERTO RICO

**SOLICITUD DE PROPUESTAS PARA EL ARRENDAMIENTO  
A LARGO PLAZO Y PARA LA OPERACIÓN Y PRESTACIÓN  
DE SERVICIOS EN LA REGIÓN OESTE, EN LAS FACILI-  
DADES DEL HOSPITAL DR. RAMÓN EMETERIO  
BETANCOS EN EL CENTRO MÉDICO DE MAYAGÜEZ**

De conformidad con la Ordenanza Núm. 53, Serie 1999-2000, del Municipio de Mayagüez, aprobada el 8 de diciembre de 1999, según enmendada, se notifica a todas las personas interesadas que el Municipio de Mayagüez estará recibiendo propuestas para otorgar un contrato de arrendamiento a largo plazo con la ciudad o las entidades que sean seleccionadas para la operación y prestación de servicios médicos hospitalarios, desde las facilidades del Hospital Dr. Ramón Emeterio Betances del Centro Médico de Mayagüez.

Las solicitudes de los documentos sobre las condiciones y las especificaciones que regirán este procedimiento, serán entregados en el Departamento de Asuntos Legales del Municipio de Mayagüez. Para información adicional, favor comunicarse al teléfono (787) 263-3636.

El 21 de julio de 2006, a las 11:00 a.m., expirará el término para presentar y entregar las propuestas. La propuesta deberá entregarse personalmente en el Departamento de Asuntos Legales del Municipio de Mayagüez.

Una vez el Municipio de Mayagüez reciba las propuestas, procederá a evaluarlas y a adjudicar según corresponda. El Municipio de Mayagüez se reserva el derecho de aceptar o rechazar total o parcialmente cualquier o todas las propuestas presentadas, de obviar cualquier formalidad, de otorgar el contrato bajo las condiciones que entienda más favorables a los intereses y a la política pública del gobierno municipal y de revocar cualesquiera propuestas favorecidas antes de la formalización de los contratos.

José Guillermo Rodríguez  
Alcalde

**MEDICAL EDUCATION AND HEALTH SERVICES INC.**

**MEDHS**

**ENMIENDA**

**A**

**PROPUESTA ORIGINAL**

**PARA EL**

**ARRENDAMIENTO Y ADMINISTRACION**

**DEL**

**HOSPITAL DR. RAMON EMETERIO BETANCES**

**DEL**

**CENTRO MEDICO DE MAYAGÜEZ.**

P.O. Box 2043 Maricao Station  
Mayaguez, P.R. 00682 Tel. (787) 834834-6120

*"una organización sin fines de lucro al servicio del pueblo"*

## **MEDHS**

**Medical Education & Health Services Inc.**

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21 de agosto 2006

Lcdo. Efraín de Jesús Rodríguez  
Presidente,  
Comité Evaluación de Propuestas de  
Arrendamiento del Centro Médico de Mayagüez  
PO Box 447  
Mayagüez, PR 00681

Lcdo. Efraín de Jesús Rodríguez:

Acuso recibo de su comunicación del 3 de agosto 2006, la cual fue recibida en nuestras oficinas el 16 de agosto 2006. En dicha misiva nos solicita que en el término de quince (15) días contados desde el recibo de su comunicación, se suplemente y enmiende la propuesta original presentada por nuestra Corporación para el arrendamiento y administración del Hospital Dr. Ramón Emeterio Betances (Centro Médico de Mayagüez), de forma que ésta contenga una oferta económica al Municipio.

La intención de nuestra Corporación es establecer una relación contractual con el Municipio de Mayagüez para el arrendamiento y administración del Hospital Dr. Ramón Emeterio Betances (Centro Médico de Mayagüez.)

Este Hospital es una facilidad municipal que provee servicios de cuidado médico a pacientes del Municipio de Mayagüez y pueblos aledaños. El Municipio de Mayagüez posee el 100% de los activos de dicho hospital y ha manifestado a través de la publicación de un edicto su deseo de que dicha facilidad sea administrada y operada por una entidad privada.

Nuestra Corporación tiene la capacidad y los conocimientos para operar este tipo de facilidades.

P.O. Box # 3043 Marina Station  
Mayagüez, PR 00682 Tel. (787) 834-6120

*"Una organización sin fines de lucro al servicio del pueblo"*



En consideración al deseo del Municipio de que el hospital sea administrado y operado por una entidad privada y que nuestra Corporación se dedica a la operación de este tipo de facilidades sometemos la siguiente propuesta económica para la administración y operación del hospital:

1. Mediante el Contrato de Arrendamiento y Administración el Municipio transfiere y da en arrendamiento a nuestra Corporación los edificios, los equipos y demás propiedades muebles e inmuebles que serán descritos en el Contrato de Arrendamiento mediante un inventario que se lleve a cabo en relación a la propiedad arrendada. Así también se arrendarían todas las actividades y negocios de prestación de servicios médicos que se llevan a cabo en dicho hospital.
2. La Corporación sometería al Municipio un plan para el desarrollo y uso de dichas áreas y edificios, el cual complementaría y fortalecería el desarrollo y operación del Centro Médico de Mayagüez.
3. La Corporación y el Municipio acordarían através del Contrato de Arrendamiento futuros desarrollos y/o construcciones en el Centro Médico de Mayagüez. Estos futuros desarrollos o construcciones formarían parte del plan de desarrollo de la Corporación.
4. Se continuarían ofreciendo los servicios de Salud Mental en conjunto con la Escuela de Medicina de Ponce.
5. Nuestra Corporación reconoce que dentro del Centro Médico de Mayagüez existen unos edificios que el Municipio cedió en arrendamiento al Departamento de Salud para operaciones administrativas de la Región. La Corporación se compromete a no afectar el funcionamiento de estos programas del Departamento de Salud.

En la medida en que el Departamento de Salud comparte ciertos servicios básicos que abastecen al Centro Médico de Mayagüez, la Corporación pagaría al Municipio el 70 % del consumo mensual de energía eléctrica, agua y uso de alcantarillado conforme sean facturados dichos servicios al Municipio por la Autoridad de Energía Eléctrica y la Autoridad de Acueductos y Alcantarillados. Este pago se realizaría dentro de los diez (10) días de recibido el requerimiento de pago por el Municipio.

6. La Corporación se compromete a desarrollar y ofrecer de manera escalonada durante la vigencia del Contrato con el Municipio de Mayagüez todos los servicios médicos hospitalarios, secundarios, terciarios y supraterciarios que el Departamento de Salud estaba ofreciendo en el Centro Médico de Mayagüez al momento de que dicha instalación médica pasó a manos del Municipio. De esta manera se ampliará y mejorará todos aquellos servicios conforme al plan de desarrollo que se cree y que se estime viable y necesario de acuerdo a las necesidades actuales de los pacientes que visitan el Centro Médico de Mayagüez.

7. La Corporación se comprometería a su costo a establecer e implementar un programa de mantenimiento permanente para el cuidado y uso de las áreas internas de la propiedad arrendada. Esto incluye el mantenerlas limpias y pintadas en sus interiores. Las reparaciones y daños causados por el uso normal de las facilidades arrendadas serían costeadas por la Corporación. Las reparaciones mayores por su parte serían costeadas por el Municipio de Mayagüez.
8. Se propone crear un comité evaluador compuesto por personas nombradas tanto por el Municipio como por la Corporación para que evalúen, analicen y estudien las operaciones fiscales, las proyecciones, deficiencias y calidad de los servicios ofrecidos por la Corporación a tenor, con los mejores intereses de la comunidad de la Región Oeste y del país.
9. Se establecería un procedimiento para el señalamiento de faltas y la corrección de éstas.
10. La Corporación se compromete a garantizar que todos los contratos relacionados con otras entidades que presten servicios en áreas del Hospital quedarán obligados y sujetos al alcance de las cláusulas contractuales pactadas con el Municipio de Mayagüez así como que dichas corporaciones o entidades cumplirán con la política pública, los propósitos y objetivos del Municipio.
11. El canon de arrendamiento que la Corporación pagaría al Municipio por el uso de la propiedad arrendada sería de \$900,000.00 (novecientos mil dólares) anuales pagaderos en plazos de \$75,000.00 (setenta y cinco mil dólares) mensuales, los primeros 6 meses y luego hasta que termine este Contrato en plazos semestrales por adelantado de \$450,000.00 (cuatrocientos cincuenta mil dólares) cada uno. La renta incrementaría en un 5% al terminar cada período de 5 años del Contrato.
12. El término del Contrato sería hasta un máximo de 30 años comenzando en la fecha en que la Corporación entre en posesión de la propiedad arrendada. Se coordinaría un proceso de transición con el Municipio y la Corporación que actualmente administra el Hospital para comenzar a operar las facilidades. El término de arrendamiento por 30 años se dividiría en tres períodos de 10 años cada uno. Esto significa que al concluir cada uno de estos 3 términos el Contrato se renovaría automáticamente siempre y cuando la Corporación esté al día en sus pagos de renta y esté cumpliendo con sus obligaciones contractuales.
13. Durante el término del Contrato la Corporación deberá mantener en la propiedad arrendada, a su total costo, los equipos y materiales relacionados con la prestación de servicios médicos primarios, secundarios y terciarios que se ofrecen típica y usualmente en un centro médico.
14. La Corporación brindaría servicios durante los 365 (trescientos sesenta y cinco) días del año y mantendría la Sala de Emergencia funcionando en un período de 24 (veinticuatro) horas al día.

15. La Corporación estaría evaluando los empleados que actualmente trabajan para la entidad que administra dicho hospital.
16. La Corporación preparará un presupuesto para su funcionamiento y obra de la propiedad arrendada, el cual será notificado al Municipio.
17. La Corporación se compromete a someter informes periódicos al Municipio donde se desglosen los ingresos que recibe y los gastos operacionales.
18. La Corporación llevará a cabo operaciones contables y financieras de las actividades que se efectúan en la propiedad arrendada de forma independiente y separada a las actividades financieras y contables de cualquier otro negocio o actividad que opere en Puerto Rico.
19. La Corporación mantendrá todos los récords de las operaciones administrativas y fiscales realizadas en la propiedad arrendada disponibles para inspección por parte del Municipio o sus funcionarios, la Oficina de Ética Gubernamental, la Oficina del Contralor o cualquier otra entidad gubernamental que tenga facultad para ello.
20. La Corporación se compromete a obtener a su costo aquellas pólizas de seguro de responsabilidad pública, impericia médica y sobre la propiedad, según sean negociadas con el Municipio.
21. La Corporación asegura, y así fue establecido mediante las Certificaciones de no deudas que fueron sometidas en conjunto con la propuesta original, que no tiene deudas atrasadas o pendientes con el Departamento de Hacienda, el Seguro Social, la Corporación del Fondo del Seguro del Estado, el Seguro por Desempleo, el Departamento del Trabajo y Recursos Humanos, el Departamento de Salud, ASUME, CRIM, y el Municipio.
22. La Corporación además asegura, y así se puede constatar de los documentos presentados con la propuesta original, que han rendido los informes y planillas correspondientes ante las agencias estatales y federales.
23. La Corporación asumirá la responsabilidad y defensa en todas las reclamaciones surgidas de cualquier evento y/o acto que como arrendataria le corresponda y donde se indique la intervención de foros judiciales, administrativos, y legislativos. Tanto en el ámbito estatal como federal.
24. La Corporación se compromete en mantener al Municipio informado sobre cualquier reclamación judicial o extrajudicial con relación a la prestación de los servicios en la operación y administración de la propiedad arrendada. En adición se establecería claramente en el Contrato de Arrendamiento la condición de nuestra Corporación de Contratista Independiente. Por lo que la Corporación siempre estaría actuando y prestando servicios como tal, y el Municipio no sería responsable por reclamaciones de empleados, por responsabilidad profesional, por deudas de beneficios de empleados, así como con agencias gubernamentales.

25. La Corporación se compromete a asegurar a sus empleados y todo el personal que preste servicios bajo el Contrato con la Corporación del Fondo del Seguro del Estado.

26. La Corporación se compromete a no vender, prestar o hipotecar el equipo que ha sido entregado, el cual será exclusiva propiedad del Municipio excepto si el Municipio lo aprueba por escrito luego de los procedimientos que se establezcan.

27. La Corporación será responsable por el mantenimiento preventivo de los equipos rentados en virtud del Contrato. Esto de conformidad con las recomendaciones de los fabricantes.

Lo propuesto en esta carta se entiende que es un resumen de la oferta de nuestra Corporación al Municipio de Mayagüez. Otras obligaciones legales podrían ser incluidas en el posible acuerdo de arrendamiento otorgado entre las partes.

Sin nada más por el momento.



Pedro J. Montes García, M.S., R.P.O., D.A.B.R.  
Secretario Corporativo  
MEDHS

## **ANEJO D**

### **ESTUDIO DE TÍTULO DEL CENTRO MÉDICO**

411121 41113 77711E 0541 155 9111 161048 1. 504

2025 RELEASE UNDER E.O. 14176

TELEPHONE 361-2171  
361-2770  
361-2877

445. 2010.12.10

17163917 17164045 17164173 17164301 17164429 17164557 17164685 17164813 17164941 17165069 17165197 17165325 17165453 17165581 17165709 17165837 17165965 17166093 17166221 17166349 17166477 17166605 17166733 17166861 17166989 17167117 17167245 17167373 17167501 17167629 17167757 17167885 17168013 17168141 17168269 17168397 17168525 17168653 17168781 17168909 17169037 17169165 17169293 17169421 17169549 17169677 17169805 17169933 17170061 17170189 17170317 17170445 17170573 17170701 17170829 17170957 17171085 17171213 17171341 17171469 17171597 17171725 17171853 17171981 17172109 17172237 17172365 17172493 17172621 17172749 17172877 17173005 17173133 17173261 17173389 17173517 17173645 17173773 17173901 17174029 17174157 17174285 17174413 17174541 17174669 17174797 17174925 17175053 17175181 17175309 17175437 17175565 17175693 17175821 17175949 17176077 17176205 17176333 17176461 17176589 17176717 17176845 17176973 17177101 17177229 17177357 17177485 17177613 17177741 17177869 17177997 17178125 17178253 17178381 17178509 17178637 17178765 17178893 17179021 17179149 17179277 17179405 17179533 17179661 17179789 17179917 17180045 17180173 17180301 17180429 17180557 17180685 17180813 17180941 17181069 17181197 17181325 17181453 17181581 17181709 17181837 17181965 17182093 17182221 17182349 17182477 17182605 17182733 17182861 17182989 17183117 17183245 17183373 17183501 17183629 17183757 17183885 17184013 17184141 17184269 17184397 17184525 17184653 17184781 17184909 17185037 17185165 17185293 17185421 17185549 17185677 17185805 17185933 17186061 17186189 17186317 17186445 17186573 17186701 17186829 17186957 17187085 17187213 17187341 17187469 17187597 17187725 17187853 17187981 17188109 17188237 17188365 17188493 17188621 17188749 17188877 17189005 17189133 17189261 17189389 17189517 17189645 17189773 17189901 17190029 17190157 17190285 17190413 17190541 17190669 17190797 17190925 17191053 17191181 17191309 17191437 17191565 17191693 17191821 17191949 17192077 17192205 17192333 17192461 17192589 17192717 17192845 17192973 17193101 17193229 17193357 17193485 17193613 17193741 17193869 17193997 17194125 17194253 17194381 17194509 17194637 17194765 17194893 17195021 17195149 17195277 17195405 17195533 17195661 17195789 17195917 17196045 17196173 17196301 17196429 17196557 17196685 17196813 17196941 17197069 17197197 17197325 17197453 17197581 17197709 17197837 17197965 17198093 17198221 17198349 17198477 17198605 17198733 17198861 17198989 17199117 17199245 17199373 17199501 17199629 17199757 17199885 17200013 17200141 17200269 17200397 17200525 17200653 17200781 17200909 17201037 17201165 17201293 17201421 17201549 17201677 17201805 17201933 17202061 17202189 17202317 17202445 17202573 17202701 17202829 17202957 17203085 17203213 17203341 17203469 17203597 17203725 17203853 17203981 17204109 17204237 17204365 17204493 17204621 17204749 17204877 17205005 17205133 17205261 17205389 17205517 17205645 17205773 17205901 17206029 17206157 17206285 17206413 17206541 17206669 17206797 17206925 17207053 17207181 17207309 17207437 17207565 17207693 17207821 17207949 17208077 17208205 17208333 17208461 17208589 17208717 17208845 17208973 17209101 17209229 17209357 17209485 17209613 17209741 17209869 17209997 17210125 17210253 17210381 17210509 17210637 17210765 17210893 17211021 17211149 17211277 17211405 17211533 17211661 17211789 17211917 17212045 17212173 17212301 17212429 17212557 17212685 17212813 17212941 17213069 17213197 17213325 17213453 17213581 17213709 17213837 17213965 17214093 17214221 17214349 17214477 17214605 17214733 17214861 17214989 17215117 17215245 17215373 17215501 17215629 17215757 17215885 17216013 17216141 17216269 17216397 17216525 17216653 17216781 17216909 17217037 17217165 17217293 17217421 17217549 17217677 17217805 17217933 17218061 17218189 17218317 17218445 17218573 17218701 17218829 17218957 17219085 17219213 17219341 17219469 17219597 17219725 17219853 17219981 17220109 17220237 17220365 17220493 17220621 17220749 17220877 17221005 17221133 17221261 17221389 17221517 17221645 17221773 17221901 17222029

504 R. SCOTT/1984      0106348/19843.4042

USDE INSCRUPTA AL PRELIMINAR 1407 DE MAY AGUIZ  
REQUISITO DE MAY AGUIZ INSCRIBIENDO

11-22-1974

[illegible][illegible]

2008-05-24

[illegible]

2024.10.25

27. In *organismen* u. *Personen* d. *Thierreichs* *etwas* d. *Erhaltung*

1954.3.28.19

[illegible]

17289, 17290.

**ANEJO F**

**ÁREA APROXIMADA DE ALGUNOS DE LOS BIENES  
INMUEBLES ARRENDADOS**

Anejo F -- Área Aproximada de Algunos de los Bienes Inmuebles Arrendados

Municipio Autónomo de Mayagüez  
Contrato de Administración y Operación del  
Hospital Dr. Ramón E. Betances

Cabida aproximada de las áreas del edificio principal del Hospital Dr. Ramón E. Betances, la cual incluye Centro Pediátrico, área de Administración Regional, anfiteatro y la nueva estructura del Acelerador Lineal.

<u>Áreas</u>	<u>Pietaje (pies cuadrados)</u>
Piso 1	128,741.25
Piso 2	30,980
Piso 3	36,500
Piso 4	33,300
Piso 5	27,900
Piso 6	27,900
Sótano	177,458.75
Azótea	4,200
Sub-Sótano	2,121
Estacionamientos	
<b>TOTAL</b>	<b>469,101</b>

A continuación se detallan las colindancias de las varias secciones del edificio principal del Hospital Dr. Ramón E. Betances, en orden de sur a norte comenzando por el Anejo Mecánico, el extremo sur del edificio:

Anejo Mecánico

- \* Norte (N) -- Edificio Principal
- \* Sur (S) -- Área Asfaltada / Calle que rodea el complejo
- \* Este (E) -- Área de Estacionamientos Principal / Avenida Hostos
- \* Oeste (O) -- Área Asfaltada / Calle que Rodea Complejo / Quebrada Canalizada

Edificio Principal

- \* N -- Emergencias / Oficina Regional
- \* S -- Anejo Mecánico
- \* E -- Área de Estacionamientos Principal / Avenida Hostos
- \* O -- Edificio Oncológico / Residencia de Enfermeras

Emergencias

- \* N -- Gazebo
- \* S -- Edificio Principal
- \* E -- Área de Estacionamientos Principal / Avenida Hostos



- O – Oficina Regional / Área de Máquinas

#### Oficina Regional

- N – Escuela de Enfermería
- S – Edificio Principal
- E – Gazebo / Emergencias
- O – Área de Máquinas

#### Escuela de Enfermería

- N – Área de Estacionamiento Secundario / Calle que Rodea Complejo
- S – Oficina Regional / Área de Máquinas
- E – Generador / Área de Estacionamientos Principal / Avenida Hostos
- O – Área de Juegos

Separado del edificio principal del Hospital Dr. Ramón E. Betances y localizado al oeste de la sección identificada en el Plano como *Edificio Principal* está el *Edificio Oncológico*, el cual se describe a continuación

#### Edificio Oncológico

- N – Tanques de Oxígeno
- S – Tanques de Gas / Carretera que Rodea Complejo
- E – Edificio Principal
- O – Cancha / Departamento de Salud

**ANEJO G**

**BIENES INMUEBLES OCUPADOS POR OTROS**

**INQUILINOS DEL CENTRO MÉDICO**

Anejo G - Bienes Inmuebles Ocupados por Otros Inquilinos del Centro Médico

Municipio Autónomo de Mayagüez  
Contrato de Administración y Operación del  
Hospital Dr. Ramón E. Betances

Descripción de Bienes Inmuebles Ocupados por Otros Inquilinos del Centro Médico

Centro de Rehabilitación Vocacional

- Localizado al sudeste del Anejo Mecánico, cruzando la Quebrada Canalizada.
- Norte (N) - Quebrada Canalizada
- Sur (S) - Área Asfaltada / Residencial Público Sabalos
- Este (E) - Avenida Hostos
- Oeste (O) - Residencial Público Sabalos

Departamento de Salud

- Localizado al oeste del Edificio Oncológico
- N - Estacionamiento de Residencia de Enfermeras / Residencia de Enfermeras
- S - Alero / Calle que Rodea Complejo
- E - Cancha / Edificio Oncológico
- O - Calle que Rodea Complejo / Área de Estacionamiento que Contiene Helipuerto

Residencia de Enfermeras

- Localizado al oeste del Edificio Principal
- N - Residencia de Médicos
- S - Departamento de Salud
- E - Edificio Principal
- O - Carretera que Rodea Complejo / Área de Estacionamiento que Contiene Helipuerto

Residencia de Médicos

- Localizado al oeste de la Oficina Regional
- N - Área Abierta / Residencia de Enfermeras y Estudiantes de Enfermería
- S - Residencia de Enfermeras
- E - Área Abierta / Oficina Regional
- O - Carretera que Rodea Complejo / Área de Estacionamiento que Contiene Helipuerto

Residencia de Enfermeras y Estudiantes de Enfermería

- Localizado al noroeste de la Escuela de Enfermería
- N - Carretera que Rodea Complejo
- S - Área Abierta / Residencia de Médicos
- E - Estacionamiento Secundario / Carretera que Rodea Complejo
- O - Carretera que Rodea Complejo / Área de Estacionamiento que Contiene Helipuerto

## **ANEJO H**

### **LISTA DE ESTADÍSTICAS A SER SOMETIDOS EN LOS INFORMES MENSUALES**

## Anejo H – Lista de Estadísticas a Ser Sometidos en los Informes Mensuales

Municipio Autónomo de Mayagüez  
Contrato de Administración y Operación del  
Hospital Dr. Ramón E. Betances

### Estadísticas Mensuales

1. Análisis de las cuentas a cobrar de pacientes
2. Análisis de las reservas para cuentas incobrables
3. Inventarios
4. Detalle de equipos capitalizados, los retirados de los libros y de los que no están en uso.
5. Detalle de mejoras capitalizadas – mejoras extraordinarias
6. Desglose de las cubiertas de seguros
7. Ingresos por servicios a pacientes (Inpatient, Outpatient and Totals)
8. Provisiones de los ajustes contractuales y otros ajustes
9. Detalle de otros ingresos (i.e. Employee and guest meals, Rental Income, Miscellaneous, etc.)
10. Detalle de nómina y servicios prestados de enfermeras, incluyendo gastos por contrato de servicios profesionales de enfermeras y cualquier gasto de per diem (i.e. Administrative, Medical and Surgical and Obstetric, Critical Care Unit, Long Term Care, Operating and Recovery Rooms, Central Supply, Emergency Services, etc.)
11. Detalle de otros servicios profesionales (i.e. Laboratory and Blood Bank, Electrocardiology, Radiology, CT Scans, Magnetic Reasonance Imaging, Pharmacy, anesthesiology, Respiratory Therapy, Physical Therapy, Occupational Therapy, Physicians Clinic, Medical Records, Quality Assurance, etc.)
12. Detalle de gastos de servicios generales (i.e. Dietary, Plant Operation and maintenance, Bio-Medical, Houekeeping, Laundry and Linen, etc.)
13. Detalles de gastos administrativos y gastos sin asignar
14. Estado comparativo de ingresos y gastos con años anteriores
15. Estado comparativo de ingresos y gastos con el presupuesto
16. Informe de estadísticas comparadas con periodos anteriores. (i.e. Patient days, Admissions, Discharges, Average Length of Stay, Beds, Occupancy Percent, Net Patient Revenue per Calendar Day, etc.)
17. Informe de estadísticas comparados de producción por área de servicio (i.e. Patient days, Admissions, Discharges, Samples sent to Laboratory, X-Rays taken, Diets Served, Visits to Emergency Room, etc.)

## **ANEJO I**

### **ESTADOS FINANCIEROS PROYECTADOS**

RECEIVED THE SECRETARY OF THE ARMY  
WASHINGTON, D.C. 20315

Approved: Lt. Colonel Ernesto P. Linares

FORWARDED: FINANCIAL REPORT NO. 1

For the year (s) 2006, 2007, and 2008, and

for the period ending December 31, 2006, 2007, and 2008

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**FIGUEROA  
RIVERA**

*Certified Public Accountant*

Héctor J. Figueroa Rivera, CPA

**ACCOUNTANT'S COMPILATION REPORT**


**SISTEMAS INTEGRADOS DE SALUD DEL SUR-OESTE, INC.**  
(Hospital Dr. Ramón Emeterio Betances)  
MAYAGÜEZ, PUERTO RICO

I have compiled the accompanying forecasted balance sheets of Sistemas Integrados de Salud del Sur Oeste, Inc. (Hospital Dr. Ramón Emeterio Betances), as of December 31, 2009, 2010, 2011, and 2012, and the statements of forecasted income and retained earnings and cash flows for the four (4) months period ending December 31, 2009, and for the years ending December 31, 2010, 2011, and 2012, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The accompanying forecasts and this report were prepared for presentation to enter into a lease agreement with Medical Education and Health Services, Inc. (MEDHS) and the Municipality of Mayagüez to operate the hospital facilities of the Hospital Ramón Emeterio Betances of the Centro Médico de Mayagüez.

A compilation is limited to presenting in the form of forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecasts. I have not examined the forecasts and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, even if the lease agreement is obtained, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

August 10, 2009

  
License # 2940  
Expires December 1, 2019

The stamp # 2408564 of the  
Puerto Rican Society of CPAs  
was adhered to the original

Suite #76 Box 10000,  
Caycey, P.R. 00737

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Cell. (787) 646-2227

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# SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.

Hospital (Dr. Ramón Emeterio Belances)

Reformatted Balance Sheets

December 31, 2009, 2010, 2011, and 2012

	2009	2010	2011	2012
<b>ASSETS</b>				
Current Assets				
Cash	\$ 1,101,163	\$ 936,000	\$ 382,773	\$ 1,670,959
Accounts receivable (net)	4,500,000	1,600,000	3,190,720	4,507,826
Prepaid expenses	3,000,000	4,652,053	8,718,041	9,497,847
Inventory	57,276	711,344	403,039	477,979
Other assets	1,025,000	460,000	472,500	496,125
Total Current Assets	9,253,440	7,929,397	12,167,072	17,650,746
PROPERTY, PLANT AND EQUIPMENT				
Property, plant and equipment, net	906,687	3,145,667	4,326,667	5,561,794
Leasehold improvements, net	193,333	173,333	169,333	133,333
Total Property, Plant and Equipment	\$ 1,040,020	\$ 3,319,000	\$ 4,496,000	\$ 5,695,127
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current Liabilities				
Accounts payable	\$ 3,300,000	\$ 3,030,000	\$ 2,000,000	\$ 1,000,000
Accounts receivable	100,000	340,000	500,000	785,848
Other liabilities	1,084,272	1,218,729	1,777,542	2,924,015
Other assets	1,436,213	550,707	719,012	749,062
Total Current Liabilities	5,920,485	5,139,436	4,496,552	5,458,925
Long-Term Debt	333,000	1,090,000	1,310,000	1,813,972
<b>STOCKHOLDERS' EQUITY</b>				
Common stock, \$1 par value, 9% non-cumulative				
Authorized 4,000,000 shares	4,000,000	4,000,000	4,000,000	4,000,000
Issued and outstanding	400,000	400,000	400,000	400,000
Retained earnings	(557,047)	60,821	1,190,720	7,726,317
Total Stockholders' Equity	3,842,953	4,460,821	5,590,720	12,126,317
Total Liabilities and Stockholders' Equity	\$ 10,413,440	\$ 11,249,397	\$ 17,547,072	\$ 23,735,613

See summary of significant assumptions, accounting policies and accountant's report

## SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.

(Hospital Dr. Ramón Emeterio Betances)

Forecasted Statements of Income

For the last 12 months ending December 31, 2009 and  
the years ending December 31, 2010, 2011, and 2012

	2009	2010	2011	2012
<b>NET PATIENT SERVICE REVENUES</b>				
Operating	\$ 1,230,560	\$ 11,583,830	\$ 23,210,903	\$ 27,431,074
Non-operating	1,854,320	6,486,583	10,813,475	12,531,273
<b>Operating</b>	<u>1,159,200</u>	<u>5,477,500</u>	<u>3,797,530</u>	<u>4,146,813</u>
Non-operating	<u>632,231</u>	<u>3,826,710</u>	<u>1,954,138</u>	<u>2,113,595</u>
<b>Operating</b>	<u>6,448,317</u>	<u>23,314,753</u>	<u>36,776,061</u>	<u>46,222,665</u>
<b>Operating</b>	<u>805,000</u>	<u>7,415,000</u>	<u>2,445,750</u>	<u>2,478,638</u>
<b>Operating</b>	<u>7,451,317</u>	<u>29,729,753</u>	<u>42,221,811</u>	<u>48,701,303</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	3,040,000	5,020,000	12,575,000	13,079,040
Medical supplies	660,000	2,008,400	2,766,720	2,877,389
Medical equipment	1,081,358	3,191,984	3,351,594	3,519,174
Pharmacy	990,520	3,573,360	7,005,197	6,307,736
Depreciation and amortization	382,316	1,165,735	1,989,000	2,311,143
Interest	1,559,167	5,427,500	5,863,673	5,881,589
<b>Operating</b>	<u>7,503,361</u>	<u>24,386,979</u>	<u>33,541,184</u>	<u>36,866,039</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(458,044)</u>	<u>1,144,771</u>	<u>8,679,627</u>	<u>12,714,853</u>
<b>OTHER EXPENSES (INCOME)</b>				
Depreciation and amortization	40,000	240,000	440,000	663,425
Interest	98,953	232,675	370,175	337,627
Other	(40,000)	(48,000)	(71,305)	(120,000)
<b>Other</b>	<u>98,953</u>	<u>524,675</u>	<u>738,870</u>	<u>881,052</u>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<u>(357,047)</u>	<u>599,896</u>	<u>8,140,952</u>	<u>11,633,897</u>
<b>PROVISION FOR INCOME TAXES</b>		<u>1,928</u>	<u>1,841,356</u>	<u>2,652,605</u>
<b>NET INCOME (LOSS)</b>	<u>(357,047)</u>	<u>597,968</u>	<u>6,299,597</u>	<u>8,771,135</u>
<b>RETAINED EARNINGS (DEFICIT) BEGINNING OF YEAR</b>		<u>(557,047)</u>	<u>46,921</u>	<u>3,193,720</u>
<b>RETAINED EARNINGS (DEFICIT) END OF YEAR</b>	<u>(357,047)</u>	<u>40,921</u>	<u>3,190,720</u>	<u>12,361,915</u>
<b>DIVIDENDS DECLARED</b>			<u>414,000</u>	<u>414,000</u>
<b>RETAINED EARNINGS (DEFICIT) END OF YEAR</b>			<u>2,776,720</u>	<u>4,171,606</u>
<b>RETAINED EARNINGS (DEFICIT) END OF YEAR</b>			<u>3,190,720</u>	<u>4,585,606</u>
<b>RETAINED EARNINGS (DEFICIT) END OF YEAR</b>	<u>\$ (357,047)</u>	<u>\$ 40,921</u>	<u>\$ 3,190,720</u>	<u>\$ 7,776,317</u>

See summary of significant assumptions, accounting policies and accountant's report

# SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.

(Hospital Dr. Ramon Emeterio Belances)

Consolidated Statements of Cash Flows

For the four periods ending December 31, 2009 and  
the years ending December 31, 2010, 2011, and 2012

	2009	2010	2011	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	\$ 557,047	\$ 697,938	\$ 6,299,597	\$ 9,171,196
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	25,000	240,000	440,000	663,425
Impairment loss on				
- property, plant and equipment	(3,000,000)	(1,394,024)	(4,055,000)	(779,806)
- intangible assets	(57,375)	(154,368)	(191,895)	(24,940)
Gain on sale of	(1,095,000)	645,000	(22,200)	(23,629)
Loss on sale of				
- investments	1,294,272	(134,487)	550,893	246,473
- assets	1,435,210	(585,204)	188,305	36,950
- other	(2,148,839)	(1,085,985)	3,187,422	9,232,173
Net cash provided by operating activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Capital expenditures, acquisition of property, plant and equipment, and acquisition of intangible assets	(750,000)	(1,309,000)	(800,000)	(1,434,246)
Net cash used for investing activities	(750,000)	(1,309,000)	(800,000)	(1,434,246)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from sale of	1,000,000			
- equity			(1,000,000)	(1,000,000)
- debt				
- equipment	(60,000)	(220,000)	(420,000)	(643,475)
- other	4,600,000			
- other	400,000			
- other				(3,149,798)
- other				
- other	7,550,000	(720,000)	(1,420,000)	(1,193,223)
- other				
- other	1,101,161	(2,506,076)	577,422	3,095,304
Net cash provided by financing activities				
<b>CASH AT BEGINNING OF PERIOD</b>	\$ 1,101,163	\$ 2,896,670	\$ 3,973,493	\$ 5,673,798
<b>CASH AT END OF PERIOD</b>	\$ 1,101,163	\$ 2,896,670	\$ 3,973,493	\$ 5,673,798
<b>Supplemental Disclosures</b>				
Interest expense	\$ 98,163	\$ 352,874	\$ 378,175	\$ 587,627
Interest income	\$ 43,880	\$ 48,520	\$ 71,585	\$ 176,098
Income tax expense	\$ -	\$ 1,624	\$ 1,841,355	\$ 2,867,836

See summary of significant assumptions, accounting policies and accountant's report

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
(Hospital Dr. Ramón Emeterio Betances)  
**SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS**

**NOTE A —NATURE AND LIMITATIONS OF FORECASTS**

These financial forecasts present, to the best of the management knowledge and belief, the expected financial position, results of operations, and cash flows of **Sistemas Integrados de Salud del Sur Oeste, Inc. (Hospital Dr. Ramón Emeterio Betances) (the Company)** for the forecast periods assuming the volume of revenues and operation levels described in Note C below and the financing for the acquisition of medical equipment and working capital will be obtained. Accordingly the forecasts reflect its judgments as of August 19, 2009, the date of these forecasts, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that the management believes are significant to the forecasts. Furthermore, even if the stated volume of revenues is earned and the financing obtained, there will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The Company is corporation organized under the laws of the Commonwealth of Puerto Rico in the year 2008 for the management and administration of hospitals and medical facilities.

The Company will enter into a lease agreement with Medical Education and Health Services, Inc. (MEHS) and the Municipality of Mayagüez to operate the hospital facilities of the Hospital Dr. Ramón Emeterio Betances of the Centro Médico de Mayagüez ("the Hospital"). Among other things, the terms and conditions of this agreement include: rental payments of \$900,000 in monthly installments of \$75,000 beginning on the date of the contract agreement, with a maximum term of thirty (30) years. The Company has the right to use the certificate of need to provide general hospital and medical services specializing in cardiovascular disease, including open heart surgery.

The hospital has 351 licensed beds throughout the different departments: general surgery, medicine, pediatrics, cardiovascular, intensive care unit and coronary care unit. The forecasts were made based on 200 beds. It is the intention of the Company to operate the hospital on the premises of all private rooms which will ensure no blockage of beds due to patient condition. It will be the first hospital in Puerto Rico to provide all private rooms, in compliance with the new hospitals law.

The Hospital has an academic program properly accredited by the ACGME (Accreditation Council of Graduate Medical Education), and consists of internal medicine. It is further contemplated that two additional residency programs will be added which includes the surgery and emergency medical residency program. These programs will be part of the projected Trauma Center, sponsored by Ponce School of Medicine.

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
**(Hospital Dr. Ramón Emeterio Betances)**  
**SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS**

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Sistemas Integrados de Salud del Sur Oeste, Inc. (the Company) is a corporation organized under the laws of the Commonwealth of Puerto Rico in the year 2008 to provide management and operation of hospital and medical services facilities.

Basis of Accounting

The forecasted financial statements have been prepared using the accrual basis of accounting which is in accordance with generally accepted accounting principles.

Net Patient Service Revenues

Reimbursements from third party payor including Medicare among others, are assumed to be in accordance with methodologies used by hospitals in Puerto Rico. Amount due to or from payers under these agreements, other than those considered to be payable in greater than one year are included in the receivable caption in accompanying balance sheet. The revenues under this agreement are subject to audit and retroactive adjustment, however, management believes that adjustments, if any, would not have a significant effect on the financial position of the Hospital.

Income Taxes

The forecasts contemplate that the Company will operate under the provisions of the Hospital Facilities Tax Exemption ACT ("the Act"), No. 168 of June 30, 1986, as amended, which grant tax exemption to the operation of a hospital unit for a period of ten years. For income taxes the exemption percentage is 50%. For the property and municipal taxes is 100%. The Company will request such tax exemption to the Department of Treasury of Puerto Rico and contemplate the approval of such exemption. If such tax exemption is not approved, the result of operation will be different of those forecasted.

Inventories

Inventories consist primarily of medical, laboratory and office supplies, and drugs, and are valued at the lower of cost or market on the first-in first-out basis.

SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.  
(Hospital Dr. Ramón Emeterio Betances)  
SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Cont.

Leasehold Improvements and Equipment

Leasehold improvements and equipment are record at cost. Repair and maintenance cost are charged against income as incurred. Depreciation and amortization expenses are computed on straight-line method over the estimated useful lives of 10 years.

Other Revenues

Other revenues consist of income from rent, cafeteria, and parking.

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
 (Hospital Dr. Ramón Emeterio Betances)  
**SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS**

**NOTE C - SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Forecasted balance sheets:**

Accounts receivable - Patients and third-party payors - The level of accounts receivable was forecasted based on the relation of receivables to net revenues, using an average turnover ratio of 90 days for the first year, 80 days for the second and 75 in the third year of operations. These have been estimated based on historical industry trends, expected operational levels and the private/third party payor patient mix and the ability of the Company to collect from patients the excess of the customary charges over the amount reimbursed by the third-party payors as the service are rendered.

Inventories - Inventories were estimated based on 21 days of yearly utilization with a 17 times a year rotation.

Construction in process - During the year 2012, there are plans to incur in a development project for the construction of a multilevel parking facility, office tower for professional offices, and commercial facilities. A ground surveying study along with all the other typical expenditures is forecasted for this project in the amount of \$300,000. The expenditure is not considered to be an authorized use of the restricted reserve funds and requires the previous approval of the plan from the Municipality in accordance with the lease agreement signed with Medical Education and Health Services, Inc. (MEDHS) and the Municipality of Mayaguez.

Leasehold improvements - In order to improve actual services, the company expects to improve the leasehold facilities in the amount of \$200,000 during the first period of operations.

Accounts payable and accruals - Accounts payable and accruals were forecasted based on 60 days cycle after the date of obligation. Management expects to be able to negotiate favorable payment terms with suppliers based on normal business practices in the health care industry in Puerto Rico.

Financing requirements - The accompanying forecasts contemplates a revolving line of credit of \$3 million dollars for working capital purposes, at a prime interest rate. Also, the Company will obtain the necessary financial collateral to sustain the operations in the amount of \$5 million dollars from any other entity or person who may acquire ownership shares of the Company.

Stock - The Company will have 5,000,000 authorized and issued preferred stock with a \$1 per value, 9% non-cumulative of which 4,600,000 will be issued. There will be as well 1,000,000 authorized common stock with a \$1 per value, of which 400,000 will be issued. The total proceeds will be used as capital investment which will be used exclusively for equipment and major improvements.



**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
(Hospital Dr. Ramón Emeterio Betances)  
**SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS**

**NOTE C -- SUMMARY OF SIGNIFICANT ASSUMPTIONS -- Cont.**

Equipment acquisition for the operation -- Initial equipment will be acquired during the first year of operation for the hospital from the initial capitalization of the Company in the amount of \$1 million dollars from the date of inception up to the end of the calendar year. An additional \$2.4 million dollars will be used for this same purpose during the second year of operation. During the third year of operation the amount of \$1.6 million dollars will be invested to continue the acquisition of equipment and major physical facilities improvement and approximately \$2.9 millions in the fourth year.

This investment will amount to \$7.9 million dollars during the forecasted years of operation. Additional equipment acquisitions estimated at \$8 million dollars have been identified for after the fourth year of operation. The source of funds for the purchase of additional equipment is to be generated from expected accumulated retained earnings resulting from operations.

Retained Earnings (Restricted) -- The accumulated retained earnings resulting from the operation after the authorized declaration and payment of dividend for each year of operation, if any, will be utilized exclusively for the acquisition of necessary equipment as appropriate for the operation of integrated medical groups as indicated in the forecast for operation.

Dividends -- The Company will declare dividend for common stock only if the net income after taxes exceeds \$2 million dollars, during the accounting year, based on certified audited financial statements. The maximum dividend declared on common stocks will be up to a maximum of 50% of the net income after taxes after considering dividend for preferred stock. After the third year of operation, the Company may be able to declare dividend up to 75 % of the net income after taxes upon negotiation with the Municipality and only if the retained earnings are in excess of \$7.8 million dollars at the end of the forecasted period of operation in the certified audited financial statements. If the three mark is not reached, dividends can be declared on the original 50% basis.

Financial Ratios -- The goal on current ratio will be of 1:1 or better on current assets vs. current liabilities. The goal on capital ratio will be of 1.75:1 or better on total assets vs. total liabilities. If the goals on both ratios are not met, then the Company will seek the necessary financial requirements to meet the required ratios. These financial requirements will be provided by the affiliated entities.

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
**(Hospital Dr. Ramón Emeterio Betances)**  
**SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS**

**NOTE C -- SUMMARY OF SIGNIFICANT ASSUMPTIONS -- Cont.**

Forecast statements of revenues and expenses:

The statements of revenue and expenses were forecasted based on the following major assumptions:

Patient services volume - Admissions, patient days, and average length of stay are basic measures of inpatient services and the demand for hospital services. Visits and ancillary department tests are the basic measures of outpatient services and the demand for this hospital service. Revenues from inpatients and outpatients were forecasted based on historical trends and expected operational utilization levels.

The following are expected patient days and occupancy rates based on economic factors and historical operational trends

	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2012</u>
<b>GENERAL HOSPITAL</b>				
Available beds	80	80	140	140
Occupancy rate	50%	60%	66%	75%
Average occupied beds	40	48	92	105
Patient days capacity	9,760	29,200	51,100	51,100
Expected patient days	4,880	17,520	33,726	38,325
<b>CARDIOVASCULAR UNIT</b>				
Available beds	40	40	60	60
Occupancy rate	50%	65%	70%	78%
Average occupied beds	20	26	42	47
Patient days capacity	4,880	14,600	21,900	21,900
Expected patient days	2,440	9,490	15,330	17,082

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
(Hospital Dr. Ramón Emeterio Betances)  
**SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS**

**NOTE C — SUMMARY OF SIGNIFICANT ASSUMPTIONS — Cont.**

The Company will enter into agreements with third-party payors to provide for payments to the Hospital at amounts different from its established rates of charges. A summary of the payment arrangements with major third-party payors follows:

Medicare — Medicare inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These base rates are specifically established for providers in Puerto Rico and vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Some outpatient services related to Medicare beneficiaries are paid based upon a cost reimbursement methodology. The Company is reimbursed for cost reimbursement items at a tentative rate with final settlement determined after submission of annual cost reports by the Company and the reports are audited by the Medicare fiscal intermediary. The Company's classification of the patients under the Medicare program and the appropriateness of their admissions are subject to an independent review by a peer review organization under contract with the Company.

Other Medical plans — The Company will enter into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Company under these agreements includes: prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates for inpatient services.

Inpatient services rendered to La Cruz Azul de Puerto Rico, Inc. and Triple-S, Inc. subscribers are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-day rates are not subject to retroactive adjustment.

Not patient services revenues are derived from routine inpatient services (room charges), inpatient ancillary services, and ancillary services used by outpatients. Forecasted net service revenues per patient day are fully described below:

**INPATIENT REVENUES — GENERAL HOSPITAL**

	<u>2009 Patient Days</u>	<u>Case Mix</u>	<u>Per Diem</u>	<u>Inpatient Revenues</u>
Medicare	1,854	38%	\$ 700	\$ 1,298,080
Health Care Reform	1,318	27%	625	826,500
Triple-S	586	12%	675	395,280
Medical Card System	390	8%	675	263,120
Others	<u>732</u>	<u>15%</u>	<u>613</u>	<u>447,580</u>
	<u>4,880</u>	<u>100%</u>	<u>(AVG)\$662</u>	<u>\$3,230,560</u>

SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.  
 (Hospital Dr. Ramón Emeterio Betances)  
 SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS

NOTE C -- SUMMARY OF SIGNIFICANT ASSUMPTIONS -- Cont.

Forecast considers an increase in rate of 4% with third payors for succeeding years as follows.

<u>Census</u>	<u>Patient Days</u>	<u>Per Diem</u>	<u>Revenues</u>
2009 50%	4,360	\$662	\$ 3,230,560
2010 50%	17,520	662	11,593,860
2011 66%	23,726	688	23,210,939
2012 75%	38,325	716	27,431,074

INPATIENT REVENUES -- CARDIOVASCULAR UNIT

	<u>2009 Patient Days</u>	<u>Case Mix</u>	<u>Per Diem</u>	<u>Inpatient Revenues</u>
Medicare	1,708	70%	\$700	\$1,195,600
Health Care Reform	439	18%	625	274,500
Third Party	122	5%	675	82,350
Others	171	7%	600	101,870
	<u>2,440</u>	<u>100%</u>	<u>(AVG)\$678</u>	<u>\$1,654,320</u>

Forecasts consider an increase in rate of 4% with third payors for succeeding years as follows:

<u>Census</u>	<u>Patient Days</u>	<u>Per Diem</u>	<u>Revenues</u>
2009 50%	2,440	\$678	\$ 1,654,320
2010 55%	9,490	678	6,436,593
2011 70%	15,330	705	10,813,475
2012 78%	17,082	734	12,531,273

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
 (Hospital Dr. Ramón Emeterio Betances)  
 SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS

**NOTE C -- SUMMARY OF SIGNIFICANT ASSUMPTIONS -- Cont.**

**OUTPATIENT REVENUES -- GENERAL HOSPITAL**

<u>Description</u>	<u>Number of Procedures</u>	<u>Revenue per Procedure</u>	<u>Total Revenue</u>
Emergency room	6,624	\$125	\$ 828,000
Laboratory	14,720	15	220,800
Out day surgeries	184	600	110,400
			<u>\$1,159,200</u>

Forecasts include 4% and 5% for volume and prices increases, respectively, per year.

**OUTPATIENT REVENUE -- CARDIOVASCULAR CENTER**

<u>Description</u>	<u>Number of Procedures</u>	<u>Revenue per Procedure</u>	<u>Total Revenue</u>
Catheterism	67	\$ 1,300	\$ 86,667
PTCA	33	2,000	66,667
Open heart	21	14,500	311,320
ECG	583	150	87,400
Vascular	18	1,200	22,080
Holter	100	100	10,000
Stress test	100	75	7,500
EKGs	460	15	6,900
Other	3	1,200	3,600
Color flow	2	50	100
	<u>1,387</u>		<u>\$602,237</u>

Forecasts include 4% for volume and prices increases per year.

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
 (Hospital Dr. Ramón Emeterio Betances)  
 SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS

**NOTE C — SUMMARY OF SIGNIFICANT ASSUMPTIONS — Cont.**

**OTHER INCOME**

Rental spaces	\$600,000
Parking	121,557
Cafeteria	83,333
	<u>\$804,889</u>

Forecasts include an increase of 5% per year, except for the Rental of spaces.

Salaries and employees' benefits - Salaries and employees benefits were forecasted based on the following:

1. Staffing patterns were determined based on expected service utilization level as described below.
2. Increase in personnel will be based on the increase in utilization level of services that will be provided at the facilities.
3. Employees' benefits were projected based on a 22% of total salaries and wages.

Full time equivalents (FTE) employees were forecasted as follows:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Annual average salary	\$22,800	\$22,800	\$ 26,200	\$ 27,248
Full time equivalent (FTE)	406	400	480	480
FTEs per available beds	3.33	3.33	2.40	2.40
FTE per occupied bed	5.40	5.40	3.34	2.99

Contracted services - Contracted services include the following:

Pharmacy	\$ 691,920
Emergency room	257,592
Legal services	35,777
Accounting/Auditing services	35,777
Ambulance services	21,466
Quality control	21,466
	<u>\$1,063,988</u>

Forecasts include an increase of 5% per year.

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
**(Hospital Dr. Ramón Emeterio Betances)**  
**SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS**

**NOTE C — SUMMARY OF SIGNIFICANT ASSUMPTIONS — Cont.**

Supplies costs — Inventories were estimated based on 21 days of yearly utilization; supplies cost were forecasted based on the expected service utilization levels (patient days) as described below:

	<u>2009</u> <u>Patient days</u>	<u>Cost per</u> <u>Patient Days</u>	<u>Expense</u>
Medical supplies	7,320	\$105	\$768,600
Food	7,320	16	117,120
Other administrative	7,320	15	109,800
			<u>\$995,520</u>

Forecasts include an inflation increase of 5% per year.

Other operational costs — Other operating expenses were forecasted based on service utilization levels and expected services that will be provided to patients as described below:

Utilities	\$ 677,667
Rent	300,000
Repairs and maintenance	321,000
Telephone	89,167
Reference laboratories	71,333
Insurance	100,000
Malpractice insurance	200,000
Promotion	50,000
	<u>\$1,809,167</u>

Forecasts include an increase of 5% per year, except for the rent

Bad debts — Provision for bad debts was forecasted based on historical industry trends and expected operational levels which includes 5% of net patient service revenues.

**SISTEMAS INTEGRADOS DE SALUD DEL SUR OESTE, INC.**  
(Hospital Dr. Ramón Emeterio Balances)  
**SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ASSUMPTIONS**

**NOTE C - SUMMARY OF SIGNIFICANT ASSUMPTIONS - Cont.**

Interest expense - Interest expense has been projected based on the financing described below:

Financing for the period ending 12/31/2010 at an average interest rate of 8.75%. The interest expense on this financing is as follows:

Year	Beginning Balance	Ending Balance	Average Balance	Interest Expense
2008	\$1,000,000	\$2,000,000	\$1,000,000	\$87,500
2009	2,000,000	3,000,000	2,000,000	175,000
2010	3,000,000	4,000,000	3,000,000	262,500
2011	4,000,000	5,000,000	4,000,000	350,000

Interest on equipment financing has been computed at an average interest rate of 9%. The interest expense on this equipment is as follows:

Year	Beginning Balance	Ending Balance	Average Balance	Interest Expense
2008	\$0	\$900,000	\$450,000	\$40,875
2009	900,000	1,700,000	1,100,000	\$99,000
2010	1,700,000	2,500,000	2,100,000	\$189,000
2011	2,500,000	3,300,000	2,900,000	\$261,000

Depreciation and amortization expense - Depreciation expense has been computed using the straight-line method over the useful life of the asset.



**ANEJO J**

**DECLARACIÓN JURADA EN CUMPLIMIENTO DE LA  
LEY NÚM. 428**

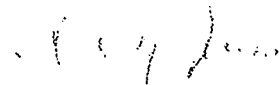
DECLARACIÓN JURADA EN CUMPLIMIENTO  
DE LA LEY NÚM. 428  
DE 22 DE SEPTIEMBRE DE 2004

Contrato para la Administración y Operación del Hospital Dr. Ramón F. Betances del Centro  
Médico de Mayagüez

Yo, Orestes Castellanos Rodríguez, mayor de edad, casado, médico y residente de Mayagüez,  
Puerto Rico, declaro bajo juramento en calidad de Presidente de MEDHS que, según mi mejor  
conocimiento y creencia, las declaraciones expresadas adelante son ciertas y correctas:

1. Mis circunstancias personales son las expresadas anteriormente.
2. Soy el Presidente de MEDHS y tengo la capacidad y la autoridad para firmar esta  
declaración.
3. Ni MEDHS ni ninguno de sus oficiales o directores ha sido convicto o se ha declarado  
culpable de ninguno de los delitos identificados en el Artículo 4 de la Ley Núm. 428 de  
22 de septiembre de 2004.

En Mayagüez, Puerto Rico, a 19 de agosto de 2009

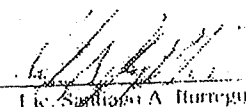
  
Orestes Castellanos Rodríguez

Anexo Núm. 3 C-6

Enfado y suscrito ante mí por Orestes Castellanos Rodríguez, mayor de edad, casado, médico y  
residente de Mayagüez, Puerto Rico, a quien conozco personalmente

En Mayagüez, Puerto Rico, a 19 de agosto de 2009



  
Lic. Santiago A. Hurregui Del Toro  
Notario Público

Atestado # 18 08 May 2009 112 000000  
11 0000 112 000000